A bill for an act

relating to state government; requiring certificates of pay equity compliance as a condition for certain state contracts; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[43A.50] CERTIFICATE OF PAY EQUITY COMPLIANCE.**

Subdivision 1. **Scope of application.** For a contract for goods or services in excess of $100,000, a state department or agency may not accept a bid or proposal from a business having more than 40 full-time employees within the state on a single working day during the previous 12 months unless the commissioner has approved the business' plan to establish equitable compensation relationships for its employees and has issued the business a certificate of compliance. A certificate of compliance is valid for two years.

Subd. 2. **Compliance; good faith effort.** (a) The commissioner must approve a plan and issue a certificate of compliance under this section to a business if the business demonstrates that it is in compliance with equitable compensation relationship standards or is making a good faith effort to achieve compliance with those standards. The standards for determining equitable compensation relationships for a business under this section are the same as the standards in sections 471.991 to 471.997 and rules adopted under those sections.

(b) A business that is not in compliance with equitable compensation relationship standards is making a good faith effort to achieve compliance if the commissioner has approved:

(1) a plan for achieving compliance, including the business' proposed actions and response to the commissioner's recommendations; and

(2) a proposed date for achieving compliance and for submitting a revised report for the commissioner's review.

Subd. 3. **Filing fee; account; appropriation.** The commissioner shall collect a $75 fee for each certificate of compliance issued by the commissioner under this section. The proceeds of the fee must be deposited in a pay equity fee special revenue account. Money in the account is appropriated to the commissioner to fund the cost of administering this section.

Subd. 4. **Revocation of certificate.** A certificate of compliance may be suspended or revoked by the commissioner if a holder of a certificate is not effectively implementing or making a good faith effort to implement its approved plan to establish equitable compensation relationships. If a contractor does not effectively implement its approved plan, or fails to make a good faith effort to do so, the commissioner may refuse to approve subsequent plans submitted by that business.

Subd. 5. **Revocation of contract.** A contract awarded by a department or agency of the state may be terminated or abridged by the contracting department or agency because of suspension or revocation of a certificate. If a contract is awarded to a person who does not have a contract compliance certificate required, the commissioner may void the contract on behalf of the state.

Subd. 6. **Technical assistance.** If the commissioner has suspended a contractor's certificate of compliance, the commissioner shall provide technical assistance that may enable the contractor to be recertified within 90 days after the contractor's certificate has been suspended.

Subd. 7. **Access to data.** Data submitted to the commissioner by a contractor or potential contractor for purposes of obtaining a certificate of compliance under this section are private data on individuals or nonpublic data with respect to persons other than department employees. The commissioner's decision to grant, not grant, revoke, or suspend a certificate of compliance is public data.

Sec. 2. **CERTIFICATE OF COMPLIANCE; TEMPORARY PROVISION.**

Until July 1, 2008, a business that is not in compliance with equitable compensation relationship standards is making a good faith effort to achieve compliance if the commissioner of employee relations has approved:

(1) a statement of the business's intention to prepare a pay equity report and an estimated date no later than July 1, 2008, when the report and plan will be submitted; and

(2) information on the business's current status, including a statement on the existence of a company-wide job evaluation system, the total number of male and female

employees of the business, and the business's interest in receiving training on how to establish equitable compensation relationships.

Sec. 3. **REPORT.**

The commissioner of employee relations shall report to the legislature by January 31, 2008, on implementation of sections 1 and 2. The report must include findings and recommendations on any changes needed to ensure that state contractors achieve equitable compensation relationships.

Sec. 4. **EFFECTIVE DATE.**

Section 1 is effective July 1, 2007, and applies to contracts for which a state department or agency issues solicitations on or after that date.